TWELFTH ANNUAL REPORT

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

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FOR THE FISCAL YEAR ENDED

December 31, 1922

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

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GENERAL OFFICE,	JOHNSON CITY, TENN.
NEW YORK OFFICE,	24 BROAD STREET

AUG 31 1927 Y MR GIFT REQUEST

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TWELFTH ANNUAL REPORT

New York, May 1, 1923.

To the Stockholders of

CAROLINA, CLINCHFIELD AND OHIO RAILWAY:

The Twelfth Annual Report of the Board of Directors, for the fiscal year ended December 31, 1922, is submitted herewith.

MILEAGE

		Miles
Main line: Elkhorn City, Ky., to North Carolina-South Carolina State Line		258 76
Branch lines: Carbo, Va., to Wilder, Va.	8 40	
Hurricane Junction, Va., to Shaft, Va.	1 20	
Bostic Yard, N. C., to Junction S. A. L. Railway	79	
		10 39
Trackage rights: Norfolk & Western Railway, Carbo, Va., to St. Paul, Va.	8 45	
Southern Railway, Frisco, Tenn., to Albert Yard, Va.	13 60	
		22 05
		291 20
Carolina, Clinchfield and Ohio Railway of South Carolina owns and operates		18 09
Total on which regular train service is maintained		309 29

The earnings of Carolina, Clinchfield and Ohio Railway of South Carolina are controlled by ownership of securities, and for convenience the results of the operation of the entire mileage described above are dealt with as a whole.

GENERAL RESULTS

A summary of the results of operation for the fiscal year ended December 31, 1922, is shown below:

Operating Revenues		$7,608,602 16
Operating Expenses		5,015,786 66
Net Revenue from Railway Operations		$2,592,815 50
Railway Tax Accruals	$565,000 00	
Uncollectible Railway Revenues	779 53	565,779 53
Railway Operating Income		$2,027,035 97
Hire of Equipment	$842,538 92	
Joint Facility Rents *Dr.*	*5,147 38*	837,391 54
Net Railway Operating Income		$2,864,427 51
Non-operating Income		159,935 29
Gross Income		$3,024,362 80
Interest on Funded Debt and other deductions from Income		1,586,995 82
Net Income (exclusive of interest on Income Debentures)		$1,437,366 98
Interest on Income Debentures		300,000 00
Income carried to Profit and Loss		$1,137,366 98

OPERATING REVENUES

MERCHANDISE FREIGHT OTHER THAN COAL

The revenue from transportation of merchandise freight amounted to $2,558,359.66, being a decrease of $207,059.31, as compared with the previous year.

The tonnage moved was 1,767,493 tons, an increase of 205,767 tons.

The number of tons carried one mile amounted to 202,392,726, an increase of 5,225,215 ton-miles, or 2.65 per cent.

The average haul decreased from 126.25 to 114.51 miles, a decrease of 11.74 miles.

The proportion of gross revenue derived from the transportation of merchandise freight was 33.62 per cent., a decrease of 3.43 per cent.

COAL FREIGHT

From transportation of coal there was derived the sum of $4,414,682.97, an increase of $389,954.54, as compared with the previous year.

The coal tonnage transported amounted to 3,823,222 tons, an increase of 496,958 tons.

The number of tons carried one mile amounted to 652,123,327, an increase of 31,328,468 ton-miles, or 5.05 per cent.

The average haul decreased from 186.63 to 170.57 miles, a decrease of 16.06 miles.

The proportion of gross revenue derived from the transportation of coal freight was 58.03 per cent., an increase of 4.11 per cent.

ENTIRE FREIGHT TRAFFIC

The total freight revenue derived was $6,973,042.63, an increase of $182,895.23, as compared with the previous year.

Combining merchandise and coal, the entire freight traffic amounted to 5,590,715 tons, an increase of 702,725 tons.

The number of tons carried one mile was 854,516,053, an increase of 36,553,683 ton-miles, or 4.47 per cent.

The average distance carried was 152.85 miles, a decrease of 14.49 miles.

The average revenue per ton was 124.73 cents, a decrease of 14.18 cents.

The total freight train mileage was 732,474 (which includes proportions of mixed-train and special-train miles), an increase of 66,335.

The average train load of revenue freight was 1,166.62 tons, a decrease of 61.30 tons.

The average number of tons of revenue freight in each loaded car was 39.07, a decrease of 1.74 tons.

In addition to the above tonnage, the company's freight amounted to 219,659 tons, an increase of 20,323 tons.

PASSENGER TRAFFIC

From passenger traffic, the revenue derived was $482,369.19, a decrease of $40,323.58.

The number of passengers carried was 574,121, a decrease of 69,448.

The number of passengers carried one mile was 13,689,866, a decrease of 1,092,700, or 7.39 per cent.

The average distance traveled by each passenger was 23.84 miles, an increase of .87 miles.

The average revenue paid by each passenger was 84.02 cents, an increase of 2.80 cents.

Passenger train mileage was 339,333 (which includes motor-car miles and proportions of mixed-train and special-train miles), a decrease of 2,889.

EXPRESS REVENUE

Express revenue amounted to $61,308.15, an increase of $13,200.64, as compared with the previous year.

MAIL REVENUE

The revenue derived from carrying United States mail was $39,437.58, an increase of $4,544.68, as compared with the previous year.

MISCELLANEOUS REVENUE

This consists of revenue derived from chartered trains, other passenger train revenue, switching revenue, station and train privileges, storage on freight and baggage, car service, telegraph service, rents of buildings and property, and miscellaneous, and amounts to $52,444.61, a decrease of $15,827.03.

OPERATING EXPENSES

MAINTENANCE OF WAY

The expenditures for maintenance of way and structures amounted to $890,358.58, or $2,976.89 per mile operated, as compared with $979,799.06, or $3,366.89 per mile operated, for the previous year, a decrease of 9.13 per cent.

MAINTENANCE OF EQUIPMENT

The total expense for maintenance of equipment amounted to $1,621,631.94, a decrease as compared with the previous year of $119,115.23, or 6.84 per cent. The changes in equipment and the unit costs of maintenance are fully shown in the equipment list shown elsewhere.

TRAFFIC

The expenditures under this heading amounted to $263,707.11, a decrease as compared with the previous year of $5,409.29, or 2.01 per cent.

TRANSPORTATION

The total cost of transportation was $2,011,720.04, a decrease as compared with the previous year of $73,098.28, or 3.51 per cent. The decrease in the revenue ton-miles was 4.47 per cent. The ratio of transportation expenses to total operating revenues was 26.44 per cent., as compared with 27.93 per cent. last year, a decrease of 1.49 per cent.

GENERAL

The expenditures for general administration were $231,822.72, a decrease as compared with the previous year of $18,432.55, or 7.37 per cent.

FINANCIAL

The Capital Stock of Carolina, Clinchfield and Ohio Railway remains unchanged. It consists of:

250,000 shares of Common Stock, par value 100 each	$25,000,000 00
115,000 shares of 6% Noncumulative Preferred Stock, par value $100 each	11,500,000 00
Total	$36,500,000 00

Note: $1,500,000 of Preferred Stock is owned by Holston Corporation.

In December, 1922, after due authorization by the Board of Directors and Stockholders of the Company, a mortgage and deed of trust, dated December 15, 1922, of all of the properties of the Company was made to The Equitable Trust Company of New York, as Trustee, providing for an authorized issue of First and Consolidated Mortgage Gold Bonds to an aggregate principal amount of fifty million dollars ($50,000,000) at any one time outstanding. These bonds are issuable from time to time in series, and may have such dates and maturities (not later than December 15, 2072), bear such rate or rates of interest, and contain such provisions as to redemption, convertibility, exchangeability and otherwise, as the Board of Directors or Executive Committee of the Company, subject to the provisions and conditions of the mortgage and deed of trust, may from time to time determine.

Of the First and Consolidated Mortgage Bonds so authorized, the following amounts were set aside for the purposes specified:

> Nine million, five hundred thousand dollars ($9,500,000) Series A Bonds, dated December 15, 1922, payable December 15, 1952, bearing interest at the rate of Six Per Cent. (6%) per annum, redeemable in whole or in part up to December 15, 1937, at 107½% and at ½% less during each twelve months' period thereafter, to be presently issued.
>
> Fifteen million dollars ($15,000,000) for refunding an equal principal amount of First Mortgage Five Per Cent. Thirty-Year Gold Bonds of the Company, maturing June 1, 1938.
>
> Two hundred thousand dollars ($200,000) for refunding an equal principal amount of First Mortgage Five Per Cent. Thirty-Year Gold Bonds of Lick Creek and Lake Erie Railroad, maturing January 1, 1933.
>
> One million, five hundred thousand dollars ($1,500,000) for refunding an equal principal amount of Five Per Cent. Realty and Collateral Trust Convertible Notes of Holston Corporation, maturing April 1, 1926.
>
> Four million, nine hundred twenty-three thousand, two hundred dollars ($4,923,200) for refunding eighty per cent. of the face amount of various issues of Equipment Trust obligations aggregating six million, one hundred fifty-four thousand dollars ($6,154,000) principal amount.
>
> The balance for reimbursing the Company for capital expenditures subsequent to December 15, 1922.
>
> Bonds are also required to be set aside and reserved from time to time for the refunding of prior liens on properties purchased with the proceeds of these bonds.

On December 29, 1922, under authority from the Interstate Commerce Commission, $8,000,000 principal amount of Series A First and Consolidated Mortgage Gold Bonds were sold for cash, and the proceeds, together with other moneys in the treasury of the Company, were used to repay United States Government One-Year Six Per Cent. Secured Loans for $1,000,000 and $5,000,000, respectively, due December 31, 1922, and United States Government Ten-Year Six Per Cent. Secured Loan for $2,000,000, due July 9, 1930.

Upon the repayment of these loans there were surrendered to the Company the securities pledged as collateral, consisting of $1,000,000 First Mortgage Five Per Cent. Thirty-Year Gold Bonds, issued under mortgage to The Farmers' Loan and Trust Company, of New York, as Trustee, dated June 1, 1908; $6,000,000 Five Per Cent. Elkhorn First Mortgage Gold Notes, Extended, issued under mortgage to The New York Trust Company, as Trustee, dated February 1, 1917; and $5,000,000 Ten-Year Five Per Cent. Mortgage Gold Notes, Extended, issued under mortgage to The Equitable Trust Company of New York, as Trustee, dated July 1, 1909.

The Five Per Cent. Elkhorn First Mortgage Gold Notes, Extended, and the Ten-Year Five Per Cent. Mortgage Gold Notes, Extended, have been canceled and the mortgages under which they were issued have been satisfied and released.

The Interstate Commerce Commission has also authorized the issuance and sale by the Railway of one million, five hundred thousand dollars ($1,500,000) additional principal amount of said Series A First and Consolidated Mortgage Gold Bonds, upon the same terms, for the purpose of reimbursing the company's treasury for instalments of Equipment Trust obligations paid during the period of January 1, 1921, to October 1, 1922, and disbursements for road and equipment during the same period.

Payments were made during the fiscal year on account of principal of Equipment Trust obligations as follows:

Series "C" (final)	$100,000
Series "E"	26,000
Series "F"	76,000
Series "G"	84,000
United States Government Equipment Trust Notes No. 11	414,000
Total	$700,000

GENERAL REMARKS

An agreement was entered into with the Southern Railway Company (Lessee of the Virginia and Southwestern Railway Company), whereby the Carolina, Clinchfield and Ohio Railway was granted the right to use, jointly with the Southern Railway Company, its tracks from Frisco, Tennessee, to Albert Yard, Virginia, a distance of 13.60 miles.

On July 1st, following a decision of the United States Railroad Labor Board, making reductions in the wages of shop-crafts, a general strike of shopmen was called, in response to which practically all of your company's shopmen left the company's service. This strike continued on our line until November 9th.

The Board acknowledges the fidelity and efficiency of the officers and loyal employes of the company.

For the Board of Directors,

N. S. MELDRUM,
President.

STATEMENTS AND STATISTICS

GENERAL INCOME ACCOUNT
CAROLINA, CLINCHFIELD AND OHIO RAILWAYS
FOR THE YEAR ENDED DECEMBER 31, 1922

OPERATING REVENUES			
Freight			$6,973,042.63
Passenger			482,369.19
Mail			39,437.58
Express			61,308.15
Miscellaneous			52,444.61
Total operating revenues			$7,608,602.16
OPERATING EXPENSES			
Maintenance of way and structures			$890,358.58
Maintenance of equipment			1,621,631.94
Traffic			263,707.11
Transportation			2,011,720.04
General			231,822.72
Transportation for investment *Cr.*			*3,453.73*
Total operating expenses			$5,015,786.66
NET REVENUE FROM RAILWAY OPERATIONS			$2,592,815.50
Railway tax accruals		$565,000.00	
Uncollectible railway revenues		779.53	565,779.53
Railway operating income			$2,027,035.97
Hire of equipment *Cr.*		$842,538.92	
Joint facility rents *Dr.*		*5,147.38*	837,391.54
NET RAILWAY OPERATING INCOME			$2,864,427.51
NON-OPERATING INCOME			
Income from funded securities		$42,812.49	
Income from unfunded securities		103,292.73	
Rent from leased rail		1,887.08	
Miscellaneous income		11,942.99	159,935.29
GROSS INCOME			$3,024,362.80
DEDUCTIONS FROM GROSS INCOME			
Interest on funded debt	$1,185,648.55		
Interest on equipment trusts	367,921.68	$1,553,570.23	
Rent for leased road	$25,900.00		
Interest on unfunded debt	1,352.26		
Miscellaneous income deductions	6,173.33	33,425.59	1,586,995.82
NET INCOME (exclusive of interest on Income Debentures)			$1,437,366.98
Interest on Income Debentures			300,000.00
NET INCOME			$1,137,366.98

PROFIT AND LOSS STATEMENT

January 1 to December 31, 1922

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

CREDITS		
Balance January 1, 1922	$4,680,680.23	
Donations for side tracks	16,401.48	
Miscellaneous credits	20,493.71	
Profit on road sold	3,589.00	
Unrefundable overcharges	1,920.46	
Credit balance from income account, period twelve months, January 1, 1922, to December 31, 1922	(a) 1,220,499.49	
Total credits		$5,943,584.37
DEBITS		
Surplus appropriated for investment in physical property	$18,153.05	
Discount on securities	691,176.62	
Miscellaneous adjustments of uncollectible accounts	7,598.68	
Loss on retired road and equipment	11,507.14	
Miscellaneous adjustments	10,179.90	
Total debits		738,615.39
Credit balance, December 31, 1922		$5,204,968.98

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA

CREDITS		
Miscellaneous credits		$134.47
DEBITS		
Balance January 1, 1922	$1,214,229.96	
Debit balance from income account, period twelve months, January 1, 1922, to December 31, 1922	(b) 83,132.51	
Total debits		1,297,362.47
Debit balance, December 31, 1922		$1,297,228.00

(a) Credit balance from income	$1,220,499 49
(b) Debit balance from income	83,132 51
Net credit from income as shown on pages 7 and 14	$1,137,366 98

GENERAL BALANCE SHEET,
CAROLINA, CLINCHFIELD

ASSETS

INVESTMENTS			
Investment in road and equipment			
Road		$49,246,847.09	
Equipment		15,336,371.89	
			$64,583,218.98
Other Investments			
First Mortgage Bonds of C., C. & O. Railway of S. C.		$3,000,000.00	
Miscellaneous (See page 22)		4,364,513.30	
			7,364,513.30
CURRENT ASSSETS			
Cash		$2,320,494.16	
Cash in banks	$2,221,842.60		
Station agents cash in transit	35,586.56		
Deposit for principal and interest obligations	63,065.00		
Traffic and car service balances receivable		151,998.50	
Net balance receivable from agents and conductors		5,956.30	
Miscellaneous accounts receivable		165,110.19	
Material and supplies		813,930.39	
Loans and bills receivable		18,596.98	
			3,476,086.52
DEFERRED ASSETS			
Holston Corporation advances		$750,350.36	
Black Mountain Railway Company advances		233,832.27	
Erwin Electric Light and Power Company advances		35,947.94	
Southport Harbor Company advances		12,755.66	
Clinchfield Northern Railway of Kentucky advances		5,596.70	
Working fund advances		2,868.90	
Insurance premiums paid in advance		2,987.70	
Value of rail leased to industries		30,425.07	
			1,074,764.60
INTEREST ON BONDS OWNED			
Interest on First Mortgage Bonds of C., C. & O. Railway of S. C.		$1,437,500.00	
Interest on First Mortgage Bonds of Black Mountain Railway Company		4,374.99	
			1,441,874.99
UNADJUSTED DEBITS			
Freight items in suspense		$753,812.70	
Claims in suspense		35,753.98	
Estimated per diem in suspense		140,000.00	
Other deferred debit items		7,324.17	
			936,890.85
Total Assets			$78,877,349.24

CAROLINA, CLINCHFIELD AND OHIO

INVESTMENTS			
Investment in road and equipment			
Road			$3,106,760.65
CURRENT ASSSETS			
Cash		$4,889.21	
Cash in banks	$1,006.88		
Station agents cash in transit	3,882.33		
Net balance receivable from agents and conductors		334.38	
Miscellaneous accounts receivable		2,315.16	
Carolina, Clinchfield and Ohio Railway deposit account		76,828.77	
			84,367.52
UNADJUSTED DEBITS			
Claims in suspense		$1,417.83	
Freight items in suspense		19,000.00	
Taxes paid in advance		245.82	
			20,663.65
CORPORATE DEFICIT			
Profit and loss—Balance			1,297,228.00
Total Assets			$4,509,019.82

DECEMBER 31, 1922
AND OHIO RAILWAY

LIABILITIES

STOCK			
Capital stock			
Common stock		$25,000,000.00	
Preferred stock	$13,500,000.00		
Less—Amount held in treasury	2,000,000.00		
		11,500,000.00	$36,500,000.00
LONG TERM DEBT			
Funded debt unmatured			
First Mortgage Five Per Cent. Gold Bonds	$15,000,000.00		
Less—Amount held in treasury	1,050,000.00		
		$13,950,000.00	
First and Consolidated Mortgage Gold Bonds, Series A		8,000,000.00	
Six Per Cent. Cumulative Income Debentures		5,000,000.00	
Lick Creek and Lake Erie R. R. Co. First Mortgage Bonds	$200,000.00		
Less—Amount held in treasury	5,000.00		
		195,000.00	27,145,000.00
EQUIPMENT TRUSTS			
Equipment Gold Notes, Series "E"		$52,000.00	
Equipment Gold Notes, Series "F"		342,000.00	
Equipment Gold Certificates, Series "G"		378,000.00	
Equipment Gold Notes, United States Government Equipment Trust No. 11		5,382,000.00	
			6,154,000.00
CURRENT LIABILITIES			
Traffic and car service balances payable		$317,624.21	
Audited accounts and wages payable		389,047.27	
Miscellaneous accounts payable		938.38	
Interest matured unpaid		174,790.00	
Unmatured interest accrued		231,504.98	
Carolina, Clinchfield and Ohio Railway of South Carolina deposit account		76,828.77	
			1,190,733.61
UNADJUSTED CREDITS			
Taxes accrued not due		$197,991.16	
Accrued depreciation—Equipment		2,229,354.84	
Estimated expenses accrued		33,888.64	
Other unadjusted credits		167,595.62	
			2,628,830.26
CORPORATE SURPLUS			
Additions to property through income and surplus		$53,816.39	
Profit and loss—Balance		5,204,968.98	
			5,258,785.37
Total Liabilities		....	$78,877,349.24

RAILWAY OF SOUTH CAROLINA

STOCK		
Capital stock		
Common stock	....	$12,000.00
LONG TERM DEBT		
First Mortgage Bonds	....	3,000,000.00
CURRENT LIABILITIES		
Traffic and car service balances payable	$26,546.40	
Audited accounts and wages payable	27,919.74	
Interest unpaid on First Mortgage Bonds	1,425,000.00	
Unmatured interest accrued	12,500.00	
Miscellaneous accounts payable	7.85	
		1,491,973.99
UNADJUSTED CREDITS		
Estimated expenses accrued	$3,814.27	
Other unadjusted credits	1,231.56	
		5,045.83
Total Liabilities	....	$4,509,019.82

STATEMENT OF FUNDED DEBT AND EQUIPMENT NOTES, DECEMBER 31, 1922

Liens Created by	Character of Lien	Amount Outstanding	Date of Maturity	Rate Per Annum	Date Payable	Interest Accrued During Year
Carolina, Clinchfield and Ohio Ry.	First Mortgage 30-Year Gold Bonds .....(1)	$13,950,000	June 1, 1938	5%	June and Dec.	$697,500.00
Carolina, Clinchfield and Ohio Ry.	First and Consolidated Mortgage Gold Bonds, Series A	8,000,000	Dec. 15, 1952	6%	June 15 and Dec. 15	1,333.33
Carolina, Clinchfield and Ohio Ry.	Ten-Year Secured Government Loan	(2)	July 9, 1930	6%	Jan. and July	119,021.74
Carolina, Clinchfield and Ohio Ry.	One-Year Secured Government Loan	(2)	Dec. 31, 1922	6%	July 1 and Dec. 31	298,369.57
Carolina, Clinchfield and Ohio Ry.	One-Year Secured Government Loan	(2)	Dec. 31, 1922	6%	July 1 and Dec. 31	59,673.91
Lick Creek and Lake Erie R. R. Co.	First Mortgage Gold Bonds ....(3)	200,000	Jan. 1, 1933	5%	Jan. and July	9,750.00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series C	....	Final payment Aug. 1, 1922	5%	Feb. and Aug.	1,666.70
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series E	52,000	$13,000 matures April 1st and Oct. 1st	5%	April and Oct.	3,249.98
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series F	342,000	$38,000 matures Jan. 1st and July 1st	5%	Jan. and July	18,050.00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Certificates, Series G	378,000	$42,000 matures April 1st and Oct. 1st	5%	April and Oct.	21,000.00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes No. 11 (Equipment allocated by U. S. Government)	5,382,000	$414,000 matures annually, Jan. 15th	6%	Jan. and July	323,955.00
	Total	$28,304,000				$1,553,570.23
Carolina, Clinchfield and Ohio Ry.	Fifteen-Year Cumulative Income Debentures	5,000,000	July 1, 1935	6%	Jan. and July	300,000.00
	Grand Total	$33,304,000	....	.....	....	$1,853,570.23

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA

Carolina, Clinchfield and Ohio Ry. of South Carolina	First Mortgage Gold Bonds	$3,000,000	June 1, 1938	5%	June and Dec.	$150,000 (4)

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(1) Does not include $1,050,000 held in treasury.
(2) Paid December 29, 1922.
(3) Includes $5,000 owned by Carolina, Clinchfield and Ohio Railway.
(4) Accrues to Carolina, Clinchfield and Ohio Railway.

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT NOTES

FIRST MORTGAGE FIVE PER CENT. THIRTY-YEAR GOLD BONDS:

Dated June 1, 1908, due June 1, 1938, secured by first mortgage on the line of railway and other property from Dante, Virginia, to North Carolina-South Carolina state line, 223.47 miles (subject to mortgage for $200,000 on line from Dante, Virginia, to Fink, Virginia, 7.5 miles), by equipment, and by the entire capital stock and $3,000,000 principal amount (being the entire authorized issue) of First Mortgage Gold Bonds, dated December 1, 1909, of Carolina, Clinchfield and Ohio Railway of South Carolina. Amount authorized $15,000,000, outstanding $13,950,000. Trustee: The Farmers' Loan and Trust Company, New York, N. Y. Coupon bonds in denomination of $1,000 each, registerable as to principal only. Fully registered bonds, without coupons, in denomination of $1,000. Interest payable June 1st and December 1st at office of the Company, New York, N. Y. Bonds contain "tax free" clause. Entire issue redeemable on any interest payment date, after six weeks' published notice, at 110 and accrued interest.

FIRST AND CONSOLIDATED MORTGAGE GOLD BONDS:

Amount authorized limited to $50,000,000 principal amount at any one time outstanding; issuable in series bearing such dates of issue and such dates of payment not later than December 15, 2072, and such rates of interest as may from time to time be determined by the Board of Directors. Secured by mortgage on line of railroad and other property from Kentucky-Virginia state line to Dante, Virginia, approximately 31.89 miles, commonly known as the "Elkhorn Extension"; Dante, Virginia, to North Carolina-South Carolina state line, approximately 223.47 miles, and Carbo, Russell County, to Laurel, Russell County, Virginia, approximately 5.71 miles, commonly known as "Dumps Creek Branch"; by equipment; by entire capital stock and $3,000,000 principal amount (being the entire authorized issue) of the First Mortgage Gold Bonds, dated December 1, 1909, of Carolina, Clinchfield and Ohio Railway of South Carolina; also by the entire capital stock and $500,000 principal amount (being the entire authorized issue) of the First Mortgage Five Per Cent. Gold Notes, dated May 1, 1912, of Clinchfield Northern Railway of Kentucky; and the entire capital stock of Holston Corporation. Subject to mortgage for $15,000,000 on line of railroad from Dante, Virginia, to North Carolina-South Carolina state line, approximately 223.47 miles, and on stock and bonds of Carolina, Clinchfield and Ohio Railway of South Carolina; and to mortgage for $200,000 on line of railroad from Dante to Fink, Virginia, approximately 7.5 miles. Trustee: The Equitable Trust Company of New York, New York, N. Y.

Series A, dated December 15, 1922, due December 15, 1952; amount authorized $9,500,000, amount issued $8,000,000, bearing six per cent. interest. Coupon bonds in denominations of $1,000, $500 and $100. $1,000 coupon bonds, registerable as to principal only. Fully registered bonds, without coupons, in denominations of $1,000, $5,000 and $10,000. Interest payable June 15th and December 15th at office or agency of the Company, New York, N. Y. Series A bonds contain "tax free" clause. Pennsylvania four-mill tax refundable. Redeemable as a whole or in part on any interest payment date, after not less than sixty days' published notice, at 107½, on or prior to December 15, 1937, and at ½% less during each twelve months' period thereafter, plus accrued interest in all cases.

LICK CREEK AND LAKE ERIE RAILROAD FIRST MORTGAGE FIVE PER CENT. GOLD BONDS:

Dated December 23, 1902, due January 1, 1933, secured by first mortgage on the line from Dante, Virginia, to Fink, Virginia, 7.5 miles. Amount authorized and outstanding $200,000. Trustee: Washington Loan and Trust Company, Washington, D. C. Coupon bonds in denomination of $1,000 each, not registerable. Interest payable January 1st and July 1st at Washington Loan and Trust Company, Washington, D. C. Mortgage contains "tax free" clause. Issue redeemable as a whole or in part on any interest payment date, after not less than sixty days' published notice, at par and accrued interest.

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT NOTES—*Continued*

SIX PER CENT. CUMULATIVE INCOME DEBENTURES:

Dated July 1, 1920, due July 1, 1935. Authorized $6,000,000, issued $5,000,000. Trustee: The New York Trust Company, New York, N. Y. Interest payable January 1st and July 1st at office of The New York Trust Company, New York, N. Y., if, when and as earned and when and as declared by the Board of Directors, out of the net earnings or surplus. Debentures contain "tax free" clause. Issue redeemable as a whole or in part on any interest payment date, after not less than thirty days' published notice, at par and accrued interest.

EQUIPMENT NOTES, SERIES "E":

Equipment covered:

- 300 thirty-ton steel-underframe stock cars.
- 2 Pacific type passenger locomotives.
- 1 ninety-ton Shay locomotive.

Cost of Equipment $309,604. Original issue of notes dated October 1, 1914, $260,000, bearing five per cent. interest. $13,000 matures semi-annually, April 1st and October 1st. Final payment matures October 1, 1924. Notes paid $208,000. Amount outstanding December 31, 1922, $52,000. Trustee: The New York Trust Company, New York, N. Y. Coupon notes in denomination of $1,000 each, not registerable. Interest payable April 1st and October 1st, at office of Blair and Co., 24 Broad Street, New York, N. Y. Notes do not contain "tax free" clause. Issue redeemable in whole or in part on any interest payment date, after not less than thirty days' published notice, at 101 and accrued interest.

EQUIPMENT NOTES, SERIES "F":

Equipment covered:

- 500 fifty-ton all-steel hopper cars.
- 5 steel-underframe caboose cars.

Cost of Equipment $903,113.75. Original issue of notes dated January 1, 1917, $760,000, bearing five per cent. interest. $38,000 matures semi-annually, January 1st and July 1st. Final payment matures January 1, 1927. Notes paid $418,000. Amount outstanding December 31, 1922, $342,000. Trustee: The New York Trust Company, New York, N. Y. Coupon notes in denomination of $1,000 each, not registerable. Interest payable January 1st and July 1st at office of Blair and Co., 24 Broad Street, New York, N. Y. Notes contain "tax free" clause. Issue redeemable as a whole on any interest payment date, after not less than thirty days' published notice, at 102½ and accrued interest.

EQUIPMENT CERTIFICATES, SERIES "G":

Equipment covered:

- 7 Mallet type locomotives.
- 9 Mikado type locomotives.

Cost of Equipment $1,092,950. Original issue of certificates dated April 2, 1917, $840,000, bearing five per cent. interest. $42,000 matures semi-annually, April 1st and October 1st. Final payment matures April 1, 1927. Notes paid $462,000. Amount outstanding December 31, 1922, $378,000. Trustee: Bank of North America & Trust Company, Philadelphia, Pa. Coupon certificates in denomination of $1,000 each, registerable as to principal only. Interest payable April 1st and October 1st at the office of Bank of North America & Trust Company, Philadelphia, Pa. Certificates do not contain "tax free" clause. Not redeemable.

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT NOTES—*Continued*

EQUIPMENT NOTES, UNITED STATES GOVERNMENT EQUIPMENT TRUST NO. 11:

Equipment covered:

1750 fifty-five-ton all-steel hopper cars.
300 fifty-ton steel-underframe box cars.
10 Mallet type locomotives.

Cost of Equipment $6,211,779.48. Original issue of notes dated January 15, 1920, $6,210,000, bearing six per cent. interest. $414,000 matures annually, January 15. Final payment matures January 15, 1935. Notes paid $828,000. Amount outstanding December 31, 1922, $5,382,000. Trustee: Guaranty Trust Company of New York, New York, N. Y. Interest payable January 15th and July 15th at the office of Guaranty Trust Company of New York, New York, N. Y. Notes do not contain "tax free" clause. Issue redeemable as a whole on any interest payment date, after not less than sixty days' published notice, at 103 and accrued interest.

In April, 1922, $1,794,000 of Notes, consisting of thirteen notes for $138,000 each, maturing annually, January 15, 1923, to January 15, 1935, inclusive, were stamped with legend of subordination provided for in Article Eleventh of the Agreement, and $3,588,000 principal amount, of which $276,000 mature annually, January 15, 1923, to January 15, 1935, inclusive, were issued in definitive form, in denomination of $1,000 each. Notes in definitive form registerable as to principal only.

GUARANTEES

Carolina, Clinchfield and Ohio Railway has guaranteed payment of principal and interest of $500,000 principal amount of First Mortgage Five Per Cent. Gold Bonds of Black Mountain Railway Company, dated April 1, 1916, and payable serially at the rate of $25,000 principal amount per annum on the first day of April of each year, beginning April 1, 1917, with interest at the rate of five per cent. per annum, of which there remained outstanding at close of business, December 31, 1922, $350,000 principal amount. Trustee: The New York Trust Company, New York, N. Y. All of these bonds are owned by Carolina, Clinchfield and Ohio Railway.

Carolina, Clinchfield and Ohio Railway guarantees payment of principal and interest of $1,500,000 principal amount of Five Per Cent, Realty and Collateral Trust Convertible Notes of Holston Corporation, dated April 1, 1916, and payable April 1, 1926, with interest at the rate of 5% per annum. Trustee: Central Union Trust Company of New York, New York, N. Y. Coupon notes in denomination of $1,000 each, registerable as to principal only. Fully registered notes, without coupons, in denomination of $1,000 each. Notes convertible into preferred stock of Carolina, Clinchfield and Ohio Railway at par and accrued interest. Issue redeemable at any time, on thirty days' published notice, at par and accrued interest.

STATEMENT OF SECURITIES OWNED, DECEMBER 31, 1922

	Bonds	Each	Par Value	Total
Bonds				
Carolina, Clinchfield and Ohio Railway of South Carolina	3,000	$1,000.00	$3,000,000.00	
Clinchfield Northern Railway of Kentucky	500	1,000.00	500,000.00	
Lick Creek and Lake Erie Railroad Co.	5	1,000.00	5,000.00	
Black Mountain Railway Company	350	1,000.00	350,000.00	
Black Mountain Railway Company First Income Debentures	50	1,000.00	50,000.00	
Black Mountain Railway Company Second Income Debentures	250	1,000.00	250,000.00	
Union Dye and Chemical Corporation Income Debentures	9	1,000.00	9,000.00	
				$4,164,000.00
Stock	Shares			
Southport Harbor Co.	20,000	$100.00	$2,000,000.00	
Holston Corporation	7,500	100.00	750,000.00	
Spartanburg Land Co.	7,500	100.00	750,000.00	
South and Western Ry. Co., Consolidated	1,000	100.00	100,000.00	
South and Western Ry. Co. (of N. C.)	1,000	100.00	100,000.00	
Lick Creek and Lake Erie Railroad Co.	1,000	100.00	100,000.00	
South and Western R. R. Co. (of N. C.)	290	100.00	29,000.00	
Elkhorn Southern Ry.	50	100.00	5,000.00	
Carolina, Clinchfield and Ohio Railway of Kentucky	50	100.00	5,000.00	
Carolina, Clinchfield and Ohio Railway of South Carolina	120	100.00	12,000.00	
Clinchfield Northern Ry.	50	100.00	5,000.00	
Clinchfield Northern Ry. of Kentucky	50	100.00	5,000.00	
South and Western R. R.	10	100.00	1,000.00	
				3,862,000.00
Total par value				$8,026,000.00
Book value				7,364,513.30

STATEMENT OF MILEAGE OF TRACK OPERATED FOR YEAR ENDED DECEMBER 31, 1922, AS COMPARED WITH SAME PERIOD PREVIOUS YEAR,

As Measured for Valuation of Railway

	Dec. 31, 1922	Dec. 31, 1921	Increase	Decrease
OWNED				
Main Line				
In Virginia: Kentucky-Virginia State Line to Virginia-Tennessee State Line	83.77	83.77		
In Tennessee: Virginia-Tennessee State Line to Tennessee-North Carolina State Line	55.59	55.59		
In North Carolina: Tennessee-North Carolina State Line to North Carolina-South Carolina State Line	116.61	116.61		
In South Carolina: (C., C. & O. Railway of S. C.): North Carolina-South Carolina State Line to Spartanburg	18.09	18.09		
	274.06	274.06‡		
Branch Lines				
In Virginia: Carbo to Wilder	8.40*	8.40*		
Hurricane Junction to Shaft	1.20**	1.20**		
In North Carolina: Bostic Yard to Junction S. A. L. Ry.	.79	.79		
	10.39	10.39‡		
LEASED				
Main Line				
In Kentucky: Clinchfield Northern Railway of Kentucky	2.79	2.79		
TRACKS USED JOINTLY				
In Virginia: N. & W. Ry., Carbo to St. Paul	8.45	8.45		
Southern Railway, Virginia-Tennessee State Line to Albert Yard	12.90		12.90	
In Tennessee: Southern Railway, Frisco to Virginia-Tennessee State Line	.70		.70	
	22.05	8.45	13.60	
Grand Total	309.29	295.69	13.60	
Total mileage operated	309.29	295.69	13.60	
Average mileage operated	299.09	295.69	3.40	
First track, owned, operated and leased	287.24	287.24		
First track used jointly	22.05	8.45	13.60	
Sidings, owned	138.20†	136.43†	1.77	
Sidings, leased	5.39	5.36	.03	
Sidings operated by Railway but owned by industries	11.86	11.78	.08	
Total All Tracks	464.74	449.26	15.48	

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‡Revised to conform to reclassification required by the Interstate Commerce Commission.

*Includes 2.69 miles on which the rail and fastenings are owned by C. C. & O. Railway and the ties and roadbed owned by industries.

**Rails and fastenings owned by C. C. & O. Railway, ties and roadbed owned by industries.

†Includes 11.74 miles industrial tracks on which the rail and fastenings are owned by C. C. & O. Railway and the ties and roadbed owned by industries.

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED DECEMBER 31, 1922, COMPARED WITH SAME PERIOD PREVIOUS YEAR

Accounts	Expenses for 1922	Expenses for 1921
Maintenance of way and structures	$890,358.58	$979,799.06
Maintenance of equipment	1,621,631.94	1,740,747.17
Traffic	263,707.11	269,116.40
Transportation	2,011,720.04	2,084,818.32
General	231,822.72	250,255.27
Transportation for investment *Cr.*	*3,453.73*	*4,565.50*
Total	$5,015,786.66	$5,320,170.72
MAINTENANCE OF WAY AND STRUCTURES		
Superintendence	$34,018.95	$33,070.01
Roadway maintenance	76,931.60	91,621.23
Tunnels and subways	3,263.29	1,489.81
Bridges, trestles and culverts	51,304.38	45,469.16
Ties	196,707.78	290,620.87
Rails	126,273.77	77,387.55
Other track material	50,548.14	55,674.81
Ballast	15,824.50	8,700.73
Track laying and surfacing	239,719.13	292,283.37
Right-of-way fences	314.88	653.62
Crossings and signs	4,922.16	7,153.92
Station and office buildings	8,257.27	7,550.35
Roadway buildings	*14.82*	410.03
Water and fuel stations	15,976.31	19,970.48
Shops and enginehouses	6,788.92	13,461.92
Telegraph and telephone lines	24,740.33	10,066.01
Signals and interlockers	697.52	1,093.33
Roadway machines	4,319.56	4,445.16
Small tools and supplies	6,934.84	9,319.17
Removing snow, ice and sand	368.64	773.90
Assessments for public improvements	*384.55*	....
Injuries to persons	22,520.53	1,885.26
Insurance	2,948.76	2,755.21
Stationery and printing	683.68	571.49
Other expenses	....	25.00
Maintaining joint tracks, yards and other facilities *Dr*	6,197.28	5,954.74
Maintaining joint tracks, yards and other facilities *Cr.*	*9,504.27*	*2,608.07*
Total Maintenance of Way and Structures	$890,358.58	$979,799.06
MAINTENANCE OF EQUIPMENT		
Superintendence	$46,464.04	$47,413.74
Shop machinery	27,842.35	27,501.99
Steam locomotives—repairs	421,031.21	450,200.64
Steam locomotives—depreciation	105,683.64	104,289.48
Steam locomotives—retirements	....	....
Freight-train cars—repairs	625,682.73	713,033.88
Freight-train cars—depreciation	305,150.60	306,096.98
Freight-train cars—retirements	22,015.20	6,966.50
Passenger-train cars—repairs	31,935.90	46,050.41
Passenger-train cars—depreciation	5,927.88	5,927.88
Passenger-train cars—retirements	....	552.77
Motor equipment of cars—repairs	244.80	....
Work equipment—repairs	12,976.05	16,894.55
Work equipment—depreciation	4,822.80	4,824.54
Work equipment—retirements	....	....
Injuries to persons	4,944.12	3,603.28
Insurance	5,445.04	5,195.22
Stationery and printing	1,460.19	2,144.69
Other expenses	5.39	50.62
Total Maintenance of Equipment	$1,621,631.94	$1,740,747.17

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED DECEMBER 31, 1922, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

Accounts	Expenses for 1922	Expenses for 1921
Traffic		
Superintendence	$70,471.40	$71,247.03
Outside agencies	161,532.83	164,532.38
Advertising	1,567.45	1,385.02
Traffic associations	3,828.18	2,667.88
Industrial and immigration bureaus	4,527.25	6,161.10
Insurance	22.56	20.18
Stationery and printing	21,757.44	23,102.81
Total Traffic	$263,707.11	$269,116.40
Transportation		
Superintendence	$94,846.29	$94,488.28
Dispatching trains	42,611.83	40,152.96
Station employees	153,375.58	163,512.75
Weighing, inspection and demurrage bureaus	1,048.38	1,098.58
Station supplies and expenses	8,809.00	10,117.37
Yardmasters and yard clerks	23,692.52	23,034.60
Yard conductors and brakemen	56,337.28	57,524.61
Yard switch and signal tenders	2,001.58	1,481.19
Yard enginemen	36,804.04	34,827.53
Fuel for yard locomotives	34,159.35	45,860.10
Water for yard locomotives	2,468.78	2,805.50
Lubricants for yard locomotives	740.74	1,030.11
Other supplies for yard locomotives	1,046.14	1,248.26
Enginehouse expenses—yard	16,022.54	15,587.86
Yard supplies and expenses	340.48	365.09
Operating joint yards and terminals *Dr.*	26,125.60	42,847.36
Operating joint yards and terminals *Cr.*	*5,094.44*	*3,417.86*
Train enginemen	351,584.49	307,385.73
Train motormen	2,597.61	1,676.48
Fuel for train locomotives	474,234.31	561,061.29
Water for train locomotives	21,205.32	25,602.80
Lubricants for train locomotives	16,311.01	17,873.09
Other supplies for train locomotives	10,387.52	12,933.96
Enginehouse expenses—train	114,253.46	120,378.28
Trainmen	330,125.33	283,515.75
Train supplies and expenses	43,969.34	56,797.49
Signal and interlocker operation	....	489.45
Crossing protection	2,223.23	4,111.91
Telegraph and telephone operation	1,003.29	646.61
Stationery and printing	16,988.43	20,472.06
Other expenses	543.61	3,577.42
Operating joint tracks and facilities *Dr.*	21,439.37	6,839.83
Operating joint tracks and facilities *Cr.*	*4,613.86*	*1,664.70*
Insurance	577.00	520.43
Clearing wrecks	32,623.36	34,174.71
Damage to property	3,854.29	9,061.00
Damage to live stock on right-of-way	12,106.11	15,270.50
Loss and damage—freight	42,847.30	51,968.08
Loss and damage—baggage	107.09	260.74
Injuries to persons	22,016.74	19,301.12
Total Transportation	$2,011,720.04	$2,084,818.32

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED DECEMBER 31, 1922, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

ACCOUNTS	EXPENSES FOR 1922	EXPENSES FOR 1921
GENERAL		
Salaries and expenses of general officers	$39,432.86	$39,013.03
Salaries and expenses of clerks and attendants	82,921.44	99,408.78
General office supplies and expenses	21,628.55	21,927.08
Law expenses	62,045.00	62,286.98
Insurance	347.08	352.08
Stationery and printing	13,137.96	15,130.02
Valuation expenses	1,382.01	6,449.95
Other expenses	10,927.82	5,687.35
Total General	$231,822.72	$250,255.27

SUMMARY OF OPERATING REVENUES FOR TEN YEARS, 1913 TO 1922, INCLUSIVE

Years Ended Dec. 31	Coal Freight	Merchandise Freight	Passenger	Mail and Express	Miscellaneous	Total Operating Revenues
1913	$1,693,458 73	$831,590 94	$224,116 65	$25,876 29	$30,279 48	$2,805,322 09
1914	1,364,330 28	736,467 14	203,674 34	26,185 44	27,963 90	2,358,621 10
1915	1,483,576 22	784,469 98	194,156 77	27,015 53	25,852 97	2,515,071 47
1916	1,783,739 31	1,147,916 54	253,984 64	37,721 13	53,125 18	3,276,486 80
1917	2,217,197 91	1,639,311 56	322,119 07	46,554 38	60,207 19	4,285,390 11
1918	2,972,224 65	1,508,955 39	441,727 22	36,587 96	62,890 04	5,022,385 26
1919	3,906,669 10	1,815,700 02	440,683 95	45,021 50	69,751 57	6,277,826 14
1920	4,478,865 43	2,371,383 96	546,480 38	97,692 15	66,458 27	7,560,880 19
1921	4,024,728 43	2,765,418 97	522,692 77	83,000 41	68,271 64	7,464,112 22
1922	4,414,682 97	2,558,359 66	482,369 19	100,745 73	52,444 61	7,608,602 16

The Ratio of Each Class of Operating Revenues to Total Operating Revenues is as Follows:

	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922
Coal freight	60.37	57.84	58.99	54.44	51.74	59.18	59.04	59.24	53.92	58.03
Merchandise freight	29.64	31.22	31.19	35.04	38.25	30.04	32.11	31.36	37.05	33.62
Passenger	7.99	8.64	7.72	7.75	7.52	8.80	7.02	7.23	7.01	6.34
Mail and express	.92	1.11	1.07	1.15	1.09	.73	.72	1.29	1.11	1.32
Miscellaneous	1.08	1.19	1.03	1.62	1.40	1.25	1.11	.88	.91	.69

SUMMARY OF OPERATING EXPENSES FOR TEN YEARS, 1913 TO 1922, INCLUSIVE

Years Ended Dec. 31	Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Transportation	General	Total Operating Expenses
1913	$194,336 85	$301,330 35	$100,791 56	$504,821 64	$122,785 30	$1,224,065 70
1914	193,737 79	307,660 85	102,684 57	469,693 87	126,508 77	1,193,184 66
1915	286,889 88	303,089 63	113,005 25	467,422 55	126,668 51	1,284,731 30
1916	289,720 14	447,317 87	221,016 76	647,025 38	147,772 64	1,742,278 48
1917	426,170 00	635,479 74	227,980 01	986,370 26	179,023 15	2,450,309 64
1918	684,515 12	1,171,404 91	110,363 13	1,621,288 19	163,390 46	3,748,029 87
1919	966,414 25	1,524,824 43	70,044 83	1,966,366 11	176,506 85	4,702,570 71
1920	1,050,184 94	1,915,917 60	221,020 17	2,546,885 82	259,761 95	5,991,271 09
1921	979,799 06	1,740,747 17	269,116 40	2,084,818 32	250,255 27	5,320,170 72
1922	890,358 58	1,621,631 94	263,707 11	2,011,720 04	231,822 72	5,015,786 66

The Ratio of Each Class of Operating Expenses to Total Operating Revenues is as Follows:

	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922
Maintenance of way and structures	6.93	8.22	11.41	8.84	9.95	13.63	15.39	13.89	13.13	11.70
Maintenance of equipment	10.74	13.04	12.05	13.65	14.83	23.32	24.28	25.34	23.32	21.31
Traffic	3.59	4.35	4.49	6.75	5.32	2.20	1.11	2.92	3.61	3.47
Transportation	18.00	19.92	18.58	19.75	23.01	32.28	31.32	33.68	27.93	26.44
General	4.37	5.36	5.04	4.51	4.18	3.25	2.81	3.44	3.35	3.05
Total	43.63	50.59	51.08	53.18	57.18	74.63	74.91	79.24	71.28	65.92

SUMMARY OF INCOME ACCOUNT FOR TEN YEARS, 1913 TO 1922, INCLUSIVE

Years Ended Dec. 31	Net Operating Revenues	Net Other Income	Gross Income	Taxes	Fixed Charges	Surplus
1913	$1,581,256 39	$338,360 40	$1,919,616 79	$115,978 42	$926,052 00	$877,586 37
1914	1,165,436 44	247,326 15	1,412,762 59	161,322 25	934,083 36	317,356 98
1915	1,230,340 17	222,166 46	1,452,506 63	164,266 95	1,058,002 77	209,885 52
1916	1,534,208 32	398,684 06	1,932,892 38	155,280 39	1,189,893 39	587,718 60
1917	1,835,080 47	567,436 38	2,402,516 85	226,877 05	1,275,845 52	899,794 28
1918	1,274,355 39	229,648 11	1,503,695 64	208,457 89	....	....
1919	1,575,255 43	132,297 75	1,707,553 18	226,523 14	....	....
1920	1,569,609 10	1,167,933 45	2,737,542 55	370,749 60	1,618,274 48	748,518 47
1921	2,143,941 50	877,206 46	3,021,147 96	440,000 00	1,594,720 08	986,427 88
1922	2,592,815 50	963,121 71	3,555,937 21	565,000 00	1,553,570 23	1,437,366 98

Note: Data for 1918, 1919, and January and February, 1920, furnished by United States Railroad Administration.

Note: Compensation received from the Government during Federal control was at the rate of $1,804,970.46 per annum.

MONTHLY OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED DECEM-

	Operating Revenues					
	Coal Freight	Merchandise Freight	Passenger	Mail and Express	Miscellaneous	Total
January	$352,919.08	$201,973.35	$36,413.99	$3,356.40	$4,416.73	$599,079.55
February	334,193.71	209,137.54	31,902.44	4,357.01	3,542.17	583,132.87
March	417,470.11	213,942.93	35,372.30	8,588.55	3,762.01	679,135.90
April	347,389.70	232,045.88	36,413.01	11,945.33	3,107.03	630,900.95
May	368,635.02	251,026.85	40,456.89	8,394.59	3,272.18	671,785.53
June	391,277.87	254,158.02	39,490.80	9,396.30	4,897.32	699,220.31
July	347,709.80	217,755.16	45,640.87	8,799.20	4,387.01	624,292.04
August	369,277.47	165,324.92	44,144.41	10,243.03	4,891.95	593,881.78
September	375,499.64	146,994.08	42,166.55	9,485.29	4,768.92	578,914.48
October	366,316.79	207,234.60	43,941.74	11,471.59	4,367.01	633,331.73
November	384,032.23	231,135.15	38,266.75	6,780.07	5,715.86	665,930.06
December	359,961.55	227,631.18	48,159.44	7,928.37	5,316.42	648,996.96
Total year ended December 31, 1922	$4,414,682.97	$2,558,359.66	$482,369.19	$100,745.73	$52,444.61	$7,608,602.16
Total year ended December 31, 1921	4,024,728.43	2,765,418.97	522,692.77	83,000.41	68,271.64	7,464,112.22
Increase	$389,954.54	*$207,059.31**	*$40,323.58**	$17,745.32	*$15,827.03**	$144,489.94
Increase per cent.	9.69	*7.49**	*7.71**	21.38	*23.18**	1.94

*Decrease.

BER 31, 1922, COMPARED WITH TOTALS FOR THE YEAR ENDED DECEMBER 31, 1921

OPERATING EXPENSES						NET OPERATING REVENUES
MAINTENANCE OF WAY AND STRUCTURES	MAINTENANCE OF EQUIPMENT	TRAFFIC	TRANSPORTATION	GENERAL	TOTAL	
$70,005.60	$129,036.88	$22,868.43	$163,155.10	$15,590.98	$400,521.06	$198,558.49
67,642.54	134,811.48	21,463.28	155,644.64	16,148.87	395,400.15	187,732.72
71,046.09	165,678.19	23,214.37	170,666.08	19,077.38	449,389.81	229,746.09
84,012.75	152,729.00	23,741.51	164,813.95	17,834.34	442,909.42	187,991.53
86,587.41	162,116.44	26,322.37	146,526.94	18,980.08	439,762.51	232,023.02
67,536.55	155,385.34	24,431.57	150,931.94	25,795.06	423,577.69	275,642.62
73,388.98	72,347.71	21,433.60	159,605.42	19,084.08	345,504.04	278,788.00
75,323.97	97,246.42	15,422.99	153,477.61	21,229.16	362,578.67	231,303.11
67,992.03	136,563.86	16,072.53	167,704.03	20,850.25	408,904.25	170,010.23
80,061.66	128,877.23	23,472.00	182,322.91	18,241.87	432,741.17	200,590.56
82,894.56	118,520.75	22,741.70	195,671.01	18,541.93	438,324.70	227,605.36
63,866.44	168,318.64	22,522.76	201,200.41	20,448.72	476,173.19	172,823.77
$890,358.58	$1,621,631.94	$263,707.11	$2,011,720.04	$231,822.72	$5,015,786.66	$2,592,815.50
979,799.06	1,740,747.17	269,116.40	2,084,818.32	250,255.27	5,320,170.72	2,143,941.50
*$89,440.48**	*$119,115.23**	*$5,409.29**	*$73,098.28**	*$18,432.55**	*$304,384.06**	$448,874.00
*9.13**	*6.84**	*2.01**	*3.51**	*7.37**	*5.72**	20.94

*Decrease.

TRAFFIC STATISTICS FOR YEAR ENDED DECEMBER 31, 1922, COMPARED WITH SAME PERIOD PREVIOUS YEAR

	YEAR ENDED DEC. 31, 1922	YEAR ENDED DEC. 31, 1921	INCREASE	DECREASE
AVERAGE MILES OF ROAD OPERATED	299.09	291.01	8.08	
PASSENGER TRAFFIC				
Number of passengers	574,121	643,569	....	69,448
Number of passengers carried one mile......	13,689,866	14,782,566	....	1,092,700
Number of passengers carried one mile per mile of road	45,772	50,797	....	5,025
Average distance each passenger traveled (miles)	23.84	22.97	.87	
Total revenue from passengers..............	$482,369.19	$522,692.77	....	$40,323.58
Average amount received from each passenger (cents)	84.02	81.22	2.80	
Average receipts per passenger per mile (cents)	3.52	3.54	....	.02
Total passenger train revenue..............	$586,599.16	$609,744.67	....	$23,145.51
Passenger train revenue per mile of road.....	$1,961.28	$2,095.27	....	$133.99
Passenger train revenue per train mile (cents)	172.90	179.38	....	6.48
Average number of passengers per passenger train mile	40	43	....	3
Average number of passengers per passenger car mile	18	19	....	1
FREIGHT TRAFFIC				
REVENUE COAL TRAFFIC				
Tons of coal carried	3,823,222	3,326,264	496,958	
Tons of coal carried one mile...............	652,123,327	620,794,859	31,328,468	
Tons of coal carried one mile per mile of road.	2,180,358	2,133,243	47,115	
Average distance hauled per ton (miles)......	170.57	186.63	....	16.06
Total coal freight revenue	$4,414,682.97	$4,024,728.43	$389,954.54	
Average amount received for each ton (cents).	115.47	121.00	....	5.53
Average receipts per ton per mile (cents).....	0.68	0.65	0.03	
Coal freight revenue per mile of road........	$14,760.38	$13,830.21	$930.17	
REVENUE MERCHANDISE TRAFFIC				
Tons of merchandise carried	1,767,493	1,561,726	205,767	
Tons of merchandise carried one mile.......	202,392,726	197,167,511	5,225,215	
Tons of merchandise carried one mile per mile of road	676,695	677,528	....	833
Average distance hauled per ton (miles).....	114.51	126.25	....	11.74
Total merchandise freight revenue..........	$2,558,359.66	$2,765,418.97	....	$207,059.31
Average amount received for each ton (cents).	144.75	177.07	....	32.32
Average receipts per ton per mile (cents)....	1.26	1.40	....	.14
Merchandise freight revenue per mile of road..	$8,553.81	$9,502.83	....	$949.02

TRAFFIC STATISTICS FOR YEAR ENDED DECEMBER 31, 1922, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

	YEAR ENDED DEC. 31, 1922	YEAR ENDED DEC. 31, 1921	INCREASE	DECREASE
TOTAL REVENUE FREIGHT TRAFFIC				
Tons of freight carried	5,590,715	4,887,990	702,725	
Tons of freight carried one mile	854,516,053	817,962,370	36,553,683	
Tons of freight carried one mile per mile of road	2,857,053	2,810,771	46,282	
Average distance hauled per ton (miles)	152.85	167.34	....	14.49
Total freight revenue	$6,973,042.63	$6,790,147.40	$182,895.23	
Average amount received for each ton (cents)	124.73	138.91	....	14.18
Average amount received per ton per mile (cents)	.82	.83	....	.01
Freight revenue per mile of road	$23,314.19	$23,333.04	....	$18.85
Freight revenue per train mile	$9.52	$10.19	....	$0.67
Average number of tons of freight per train mile	1,166.62	1,227.92	....	61.30
Average number of tons of freight per loaded car mile	39.07	40.81	....	1.74
ALL FREIGHT (including company material hauled free)				
Number of tons carried	5,810,374	5,087,326	723,048	
Number of tons carried one mile	879,474,265	840,084,423	39,389,842	
Average number of tons of freight per train mile	1,200.69	1,261.12	....	60.43
Average number of tons of freight per loaded car mile	40.21	41.92	....	1.71
REVENUE AND OPERATING EXPENSES				
Passenger and freight train revenue	$7,573,984.19	$7,414,082.13	$159,902.06	
Passenger and freight train revenue per mile of road	25,323.43	25,477.07	....	$153.64
Gross operating revenue	7,608,602.16	7,464,112.22	144,489.94	
Gross operating revenue per mile of road	25,439.17	25,648.99	....	209.82
Gross operating revenue per revenue train mile	7.10	7.40	....	.30
Operating expenses (taxes excluded)	5,015,786.66	5,320,170.72	....	304,384.06
Operating expenses per mile of road	16,770.16	18,281.75	....	1,511.59
Operating expenses per revenue train mile	4.68	5.27	....	.59
Net operating revenues	2,592,815.50	2,143,941.50	448,874.00	
Net operating revenue per mile of road	8,669.01	7,367.24	1,301.77	
Net operating revenue per revenue train mile	2.42	2.13	.29	

CLASSIFICATION OF FREIGHT CARRIED DURING YEAR ENDED DECEMBER 31, 1922, COMPARED WITH SAME PERIOD PREVIOUS YEAR

(NET TONS)

	Year Ended Dec. 31, 1922	Year Ended Dec. 31, 1921	Increase	Decrease
Products of Agriculture				
Wheat, corn, oats, other grain	37,029	33,190	3,839	
Flour and meal	24,082	21,239	2,843	
Other mill products	16,111	12,353	3,758	
Hay, straw and alfalfa	28,437	40,442	....	12,005
Tobacco	655	1,244	....	589
Cotton, cotton seed, etc.	9,539	8,660	879	
Fresh fruits	10,060	6,811	3,249	
Fresh vegetables	6,114	2,004	4,110	
Dried fruits and vegetables	928	1,085	....	157
Other products of agriculture	613	1,353	....	740
Products of Animals				
Live stock	1,340	1,243	97	
Fresh meats	2,198	2,051	147	
Other packing house products	1,480	1,004	476	
Poultry, eggs, butter and cheese	600	269	331	
Wool, hides and leather	3,593	3,008	585	
Other products of animals	560	646	....	86
Products of Mines				
Bituminous coal	3,821,062	3,324,383	496,679	
Coke	2,160	1,881	279	
Ores	4,796	242	4,554	
Clay, gravel, sand and stone	407,037	373,221	33,816	
Other products of mines	159,778	97,855	61,923	
Products of Forests				
Lumber	238,407	217,760	20,647	
Other products of forests	159,912	134,204	25,708	
Manufactures and Miscellaneous				
Petroleum and other oils	10,559	8,592	1,967	
Sugar, syrup, glucose, molasses	2,707	1,738	969	
Iron, pig and bloom	2,188	215	1,973	
Rail and fastenings	9,745	8,968	777	
Bar and sheet iron, etc.	13,941	10,444	3,497	
Other metals	129	159	....	30
Castings	4,862	4,256	606	
Cement	189,839	166,792	23,047	
Brick, artificial stone, lime, plaster	122,809	117,803	5,006	
Sewer pipe and drain tile	5,644	2,019	3,625	
Agricultural implements	3,477	3,370	107	
Automobiles and auto trucks	30,336	17,644	12,692	
Household goods and furniture	2,149	2,942	....	793
Beverages	357	760	....	403
Fertilizers	14,865	16,222	....	1,357
Paper	757	802	....	45
Chemicals and explosives	9,781	11,363	....	1,582
Textiles	4,442	1,828	2,614	
Canned goods	2,784	2,446	338	
Other manufactures	88,528	70,559	17,969	
Merchandise—all L.C.L. freight	134,325	152,920	....	18,595
Recapitulation				
Products of agriculture	133,568	128,381	5,187	
Products of animals	9,771	8,221	1,550	
Products of mines	4,394,833	3,797,582	597,251	
Products of forests	398,319	351,964	46,355	
Manufactures and miscellaneous	654,224	601,842	52,382	
Total revenue tonnage	5,590,715	4,887,990		
Net increase	....	....	702,725	

LIST OF INDUSTRIES ESTABLISHED FROM JANUARY 1, 1922, TO DECEMBER 31, 1922

Shipping Point	Name	Character
	KENTUCKY	
Elkhorn City	Pool Point Coal Corporation	Coal Mine
	VIRGINIA	
Fremont	Haysi Supply Company	Branch Wholesale Grocery
Fremont	Chase and Long	Coal Mine
Nora	Nora Coal Company	Coal Mine
St. Paul	Southern Lumber Company	Building Material
Wilder	W. E. Wolfe Coal Company	Coal Mine
Starnes	Starnes-Bluff Lumber Company	Saw Mill
Clinchfield	Klondyke Coal Company	Coal Mine
Hill	R. J. Carter	Saw Mill
	TENNESSEE	
Kingsport	Kingsport Press, Incorporated	Publishers and Bookbinders
Kingsport	Mead Fibre Company	Paper Mill
Johnson City	Central Coal Company	Coal Yard
Johnson City	Mortimer Brothers	Lumber Yard and Planing Mill
Johnson City	Walker Ice and Coal Company	Ice Plant
Johnson City	Calfskin Overall Manufacturing Company	Overalls
Johnson City	Chapin and Sacks Corporation	Manufacturers of Ice Cream
Unicoi	W. Granville Taylor	Saw Mill
Erwin	M. F. Parsley and Company	Building Material
Erwin	Clinchfield Products Corporation	Feldspar Grinders—Doubled Capacity
	NORTH CAROLINA	
Lunday	Harris Clay Company	Kaolin Plant
Cass	J. Walter Wright Lumber Company	Saw Mill (Crabtree)
Penland	New Era Mica Company	Mica Cutting Plant
Spruce Pine	Big Ridge Mining Company	Feldspar
Spruce Pine	Stevenson-Greene Company	Saw Mill
Loop	Frank A. Keefe	Saw Mill
Sevier	M. L. Good	Saw Mill
Logan	Smith and Price Sand Company	Sand

SIDINGS, SPURS AND ADDITIONAL YARD TRACKS BUILT

FROM JANUARY 1, 1922, TO DECEMBER 31, 1922

Mile Post		Miles
	KENTUCKY	
2.2	Russell-Elkhorn Coal Company	.082 b
	TENNESSEE	
88.2	Connecting Track with Southern Railway at Frisco	.283
93.5	Mead Fibre Company	.058 a
135.0	3 Storage Tracks, Erwin Yard	1.913
137.1	S. T. Duncan Coal Track	.022 a
	NORTH CAROLINA	
239.1	Smith and Price Sand Company	.058 b
	Total	2.416
	Total tracks removed during period	.535
	Net length of tracks added during period	1.881

a Owned by Industry.
b .027 miles owned by C., C. & O. Railway, balance by Industry.

EXPENDITURES FOR ADDITIONS AND BETTERMENTS CHARGED TO CAPITAL ACCOUNT, FOR THE PERIOD JANUARY 1, 1922, TO DECEMBER 31, 1922

Engineering		$1,076.07
Land for transportation purposes	*Cr.*	*706.43*
Grading		9,051.23
Tunnels and subways		36,006.72
Bridges, trestles and culverts		23,939.11
Ties		1,311.15
Rails		56,971.05
Other track material		28,623.98
Ballast		40.21
Track laying and surfacing		238.08
Right-of-way fences		1,155.87
Station and office buildings		13,433.23
Roadway buildings	*Cr.*	*5,708.88*
Water stations		446.25
Shops and enginehouses		8,877.35
Telegraph and telephone lines	*Cr.*	*1,576.58*
Miscellaneous structures	*Cr.*	*18.05*
Roadway machines		734.31
Assessments for public improvements		2,648.85
Shop machinery		34,796.30
Steam locomotives		740.52
Freight train cars	*Cr.*	*43,427.52*
Passenger train cars		5,889.65
Work equipment	*Cr.*	*705.00*
Total		$173,837.47

1.64 acres of land were acquired at Frisco, Tennessee, for the purpose of constructing an interchange track with the Southern Railway.

Standard wire fence was built at various places to the extent of four miles.

The concrete lining of Sykes tunnel was completed. The expenditures for the year were $11,965.84, which, in addition to $31,372.72 expended in 1921, made the total cost $43,338.56; one concrete portal and 277 lineal feet of concrete lining were placed in the north end of Upper Pine Ridge tunnel at a cost of $14,538.71; two concrete portals and 56 lineal feet of concrete lining were placed in Second Rocky tunnel at a cost of $5,716.85; and an expenditure of $3,920.15 was made during the year in connection with the lining of Honeycutt tunnel with concrete.

Work was begun on two concrete abutments and fill to replace old trestle near mile post 276.11, resulting in the expenditure of $709.43 during the year.

A highway underpass to accommodate the new Asheville-Charlotte highway and to eliminate a grade crossing was built at Forest City, N. C., at a cost of $10,337.07; a double driveway underpass, eliminating a street crossing and crossing gates and watchman, was built at Division Street, Johnson City, Tennessee, at a cost of $8,124.78; a wider opening for a new street highway was constructed in the timber trestle at Walnut Street, Johnson City, Tennessee, at a cost of $942.04; a wider opening for a new street highway was made in the timber trestle at the Elizabethton highway underpass, near Johnson City, Tennessee, at a cost of $2,732.83.

Skeleton tracks for storing bad-order cars were built at the north end of Erwin yard at a cost of $12,614.64.

A connecting track between the Southern Railway and Carolina, Clinchfield and Ohio Railway was built at Frisco, Tennessee, the ownership of which divides midway between the connection with the two railways.

An interchange yard, consisting of three tracks, is being built near Frisco, Tennessee, to be owned jointly by the Southern Railway and Carolina, Clinchfield and Ohio Railway.

An Oxweld generating plant, including system of piping, was installed at Erwin shops at a cost of $7,685.09; a frame addition was built to Erwin machine shops at a cost of $1,296.67; a concrete floor was laid in the Erwin machine and locomotive shops at a cost of $2,918.69; three oil storage tanks were purchased for Erwin oil house at a cost of $736.02.

The following machines were purchased for the Erwin shops; lathe, $2,802.62; planer and radial drill, $9,862.92; machine tools, $21,647.21.

EXPENDITURES FOR ADDITIONS AND BETTERMENTS CHARGED TO CAPITAL ACCOUNT, FOR THE PERIOD JANUARY 1, 1922, TO DECEMBER 31, 1922—*Continued*

Paving assessments were paid as follows: Johnson City, Tennessee, $1,397.30; Erwin, Tennessee, $387.38.

Three motor cars were purchased for the use of section and extra gangs at a cost of $738.20.

The installation of electric lights in ten passenger coaches, estimated to cost $14,000.00, was approximately forty per cent. completed.

A railtop concrete culvert was built at Mad Branch, near Kingsport, Tennessee, at a cost of $1,874.18, eliminating an old wooden culvert which supported the highway at this point.

New concrete drain pipes were laid in Kingsport yard at a cost of $449.04.

The passenger shed and platform at Johnson City, Tennessee, were completed at a total cost of $6,561.18; a combination freight and passenger station at Forest City, N. C., was approximately three-fourths completed; a five-room agent's house was built at Green Mountain, N. C., at a cost of $2,855.68; a four-room section foreman's house was built at Hill, Virginia, at a cost of $1,156.36; a four-room dwelling for colored employees was erected at Erwin, Tennessee, at a cost of $1,189.81; an addition was built to the section foreman's house at Ft. Blackmore, Virginia, at a cost of $216.55.

Furniture, typewriters and calculating machines were purchased for various offices at a total cost of $2,070.07.

85-pound rail was replaced with 100-pound rail through the crossing with the Norfolk and Western Railway at St. Paul, Virginia; from the south end of Miller yard to mile post 69.2; from mile post 88.3 to the north end of Kingsport yard; from Fishery to the north end of Erwin yard; from mile post 155.0 to mile post 161.3; and from Linville Falls to mile post 219.0 at Marion yard, making a total of 49.36 miles replaced.

Thirty-four main line turnouts were changed from 85-pound material to 100-pound material in connection with rail renewals in main line.

60-pound rail was replaced with 85-pound rail in one track at Carnegie, Tennessee, and five tracks in Erwin yard.

A net length of 1.88 miles of sidings was built during the period.

Standard section tool houses were built at the following points; Speers Ferry, Virginia, $251.44; Lunday, N. C., $277.15; Mayo, S. C., $200.82.

A well was drilled at Fordtown, Tennessee, to furnish a supply of drinking water, at a cost of $213.67. A pump house was installed at Bartlick, Virginia, at a cost of $446.25.

An expenditure of $640.92 was made during the year, covering the application of spark arresters to locomotives; safety appliances were applied to freight-train cars, during the period, at a cost of $5,105.65.

MAINTENANCE OF WAY AND STRUCTURES, YEAR ENDED DECEMBER 31, 1922

Total expenditures for maintenance of way and structures, $890,358.58, or $2,976.89 per mile operated.

167,944 cross ties used in maintaining existing tracks.

WEIGHT OF RAIL IN MAIN TRACK, YEAR ENDED DECEMBER 31, 1922

As Measured for Valuation of Railway

	C., C. & O. Railway			C., C. & O. Railway of S. C.		Total
	Main Line	Branches	Sidings	Main Line	Sidings	
	Miles	Miles	Miles	Miles	Miles	Miles
Owned						
105-lb. Rail	1.63	....	....	....	....	1.63
100-lb. Rail	98.56	....	....	....	....	98.56
90-lb. Rail	2.41	....	0.81	....	....	3.22
85-lb. Rail	153.37	8.19	98.20	18.09	5.51	283.36
80-lb. Rail	....	....	3.57	....	....	3.57
60-lb. Rail	....	2.20	28.63	....	1.09	31.92
45-lb. Rail	....	....	0.39	....	....	0.39
Total owned	255.97	10.39	131.60	18.09	6.60	422.65
Leased						
85-lb. Rail	2.79	....	5.39	....	....	8.18
Owned by Industries						
85-lb. Rail	....	....	10.45	....	0.05	10.50
60-lb. Rail	....	....	1.36	....	....	1.36
Total owned by industries	....	....	11.81	....	0.05	11.86
Total	258.76	10.39	148.80	18.09	6.65	442.69

BALLAST IN MAIN TRACK ON DECEMBER 31, 1922

* Additional ballast placed on track during the year 1922 as follows:

	Kentucky	Virginia	Tennessee	North Carolina	South Carolina	Total
Stone—Cubic yards	....	3,916	3,704	6,768	596	14,984

General distribution of all ballast is as follows:

	Main Line		Branch Lines	Total
	C., C. & O. Ry.	C., C. & O. Ry. of S. C.	C., C. & O. Ry.	
	Miles	Miles	Miles	Miles
Stone*	145.00	9.22	....	154.22
Stone and slag mixed	46.61	2.30	....	48.91
Slag**	63.01	6.32	10.07	79.40
Bridges	4.14	.25	.32	4.71
Total	258.76	18.09	10.39	287.24†

*In general, stone ballast used in cuts and old embankments.
**Slag used on embankments liable to settle.
†Tracks used jointly excluded.

STATEMENT OF EQUIPMENT FOR YEAR ENDED DECEMBER 31, 1922, COMPARED WITH SAME PERIOD PREVIOUS YEAR

LOCOMOTIVES

TYPE	OWNED OR LEASED DEC. 31, 1922	OWNED OR LEASED DEC. 31, 1921	WEIGHT AND TRACTIVE POWER	
			AVERAGE WEIGHT	AVERAGE TRACTIVE POWER
Ten-wheel (4-6-0)	5	5	158,420	27,480
Consolidation (2-8-0)	2	2	175,000	41,160
Consolidation (2-8-0)	15	15	199,150	43,882
Mallet (2-6-6-2)	21*	21	368,626	73,859
Mallet (2-8-8-2)	17	17	527,953	102,384
Pacific (4-6-2)	5	5	253,120	40,764
Mikado (2-8-2)	11	11	299,336	53,955
Total freight and passenger	76	76	25,404,000	4,966,830
Average	....	....	334,263	65,353
In work train	3	3		
Leased	1	1		
Total locomotives	80	80		

*Ten Mallet (2-6-6-2) locomotives included, which have been contracted to be sold, to be rebuilt and modernized and then repurchased.

Number of locomotives through shop	52	55
Number of locomotives in shop being repaired and awaiting repairs at end of year	12	7
Average amount expended for repairs per locomotive in service	$5,329.51	$5,698.74
FREIGHT LOCOMOTIVES		
Number	66	67
Total tractive power, pounds	4,625,610	4,647,110
Average tractive power, pounds	70,085	69,360

PASSENGER CARS

Average amount expended for repairs and cleaning per passenger train car owned	$994.49
Number of passenger train cars through shop	12
Number of passenger train cars in shop at end of year	2

OWNED AND IN SERVICE	CONSTRUCTION	YEAR ENDED DEC. 31, 1922	YEAR ENDED DEC. 31, 1921	INCREASE	DECREASE
Combination, baggage and mail	All steel	6	6		
Combination, baggage and express	Wooden	4	4		
	Steel underframe	2	2		
Coaches	Wooden	0	0		
	Vestibule and Steel underframe	24	24		
Coach, gas-electric	All steel	1	1		
Total	....	37	37		

STATEMENT OF EQUIPMENT FOR YEAR ENDED DECEMBER 31, 1922, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

FREIGHT CARS

Average amount expended for repairs per freight car owned	$79.62
Total number of freight train cars repaired	13,275

OWNED AND IN SERVICE	DESCRIPTION	CAPACITY IN POUNDS	YEAR ENDED DEC. 31, 1922	YEAR ENDED DEC. 31, 1921	INCREASE	DECREASE
Stock	Steel underframe	60,000	303	306	....	3
Box	Wooden	60,000	130	146	....	16
Box	Steel underframe	60,000	706	709	....	3
Box	Steel underframe	100,000	300	300		
Flat	Wooden	40,000	2	2		
Flat	Wooden	60,000	46	49	....	3
Flat	Steel	100,000	100	100		
Gondolas	Steel	100,000	737	738	....	1
Hoppers	Steel	100,000	3,758	3,776	....	18
Hoppers	Steel	110,000	1,747	1,750	....	3
Caboose	Steel underframe		29	29		
Totals			7,858	7,905		47
Net decrease						47
Tonnage capacity			376,425	378,290	....	1,865
Average tonnage capacity			48.08	48.03	.05	

WORK EQUIPMENT

OWNED AND IN SERVICE	DESCRIPTION	YEAR ENDED DEC. 31, 1922	YEAR ENDED DEC. 31, 1921	INCREASE	DECREASE
Business		2	2		
Camp	Wooden	60	60		
Dump	Steel	28	28		
Pile driver	Steel underframe	1	1		
Derrick	Steel	2	2		
Steam shovels	Steel underframe	2	2		
Scoop	Wooden	1	1		
Spreaders	Wooden	4	4		
Scale test	Steel	1	1		
Cabin car	Wooden	1	1		
Totals		102	102		

EQUIPMENT PERFORMANCE FOR YEAR ENDED DECEMBER 31, 1922, COMPARED WITH SAME PERIOD PREVIOUS YEAR

	Year Ended Dec. 31, 1922	Year Ended Dec. 31, 1921	Increase	Decrease
LOCOMOTIVES				
COST PER MILE RUN (Cents)				
Enginemen	23.10	21.69	1.41	
Enginehouse expenses	7.75	8.62	....	.87
Fuel	30.24	38.47	....	8.23
Water	1.41	1.80	....	.39
Lubricants	1.01	1.20	....	.19
Other supplies	.68	.90	....	.22
Repairs and renewals	25.04	28.54	....	3.50
Depreciation	6.29	6.61	....	.32
Total cost per locomotive mile (cents)	95.52	107.83	....	12.31
Pounds coal consumed per locomotive mile	252.84	243.56	9.28	
Pounds coal consumed per freight locomotive mile	312.56	299.17	13.39	
Pounds coal consumed per passenger locomotive mile	92.72	101.36	....	8.64
Pounds coal consumed per mixed locomotive mile	422.87	415.37	7.50	
Pounds coal consumed per special locomotive mile	92.72	97.52	....	4.80
Pounds coal consumed per switching locomotive mile	154.29	178.67	....	24.38
Pounds coal consumed per non-revenue locomotive mile	178.25	114.27	63.98	
Locomotive miles per ton of coal	7.91	8.21	....	.30
Freight locomotive miles per ton of coal	6.40	6.69	....	.29
Passenger locomotive miles per ton of coal	21.57	19.73	1.84	
Mixed locomotive miles per ton of coal	4.73	4.82	....	.09
Special locomotive miles per ton of coal	21.58	20.51	1.07	
Switching locomotive miles per ton of coal	12.96	11.19	1.77	
Non-revenue locomotive miles per ton of coal	11.22	17.50	....	6.28
Locomotive miles run per pint of oil	10.48	11.10	....	.62
Average number of locomotives in service per month	79	79	....	
Average mileage per locomotive per month	1,773	1,664	109	
Total tons of coal consumed	212,530	192,123	20,407	
Average cost per ton of coal	$2.39	$3.16	....	$0.77
PASSENGER CARS				
Pounds coal consumed per passenger train car mile	25.93	27.29	....	1.36
Number passenger cars handled one mile per ton of coal	77.12	73.29	3.83	
FREIGHT CARS				
Pounds coal consumed per freight car mile (excluding caboose)	9.78	9.30	.48	
Number freight cars handled one mile per ton of coal	204.59	215.16	....	10.57

MILEAGE STATISTICS FOR YEAR ENDED DECEMBER 31, 1922, COMPARED WITH SAME PERIOD PREVIOUS YEAR

	Year Ended Dec. 31, 1922	Year Ended Dec. 31, 1921	Increase	Decrease
Locomotive Mileage				
Of revenue freight trains	1,132,574	1,041,552	91,022	
Of revenue passenger trains	308,673	316,304	....	7,631
Of revenue mixed trains	16,790	16,790	....	....
Of revenue special trains	218	2,297	....	2,079
Of revenue switching service	183,741	162,370	21,371	
Of non-revenue trains	39,125	38,279	846	
Total	1,681,121	1,577,592	113,239	9,710
Net Increase	....	....	103,529	
Train Mileage				
Of revenue freight trains	721,374	654,973	66,401	
Of revenue passenger trains	308,485	316,304	....	7,819
Of revenue mixed trains	16,790	16,790	....	
Of revenue special trains	218	2,297	....	2,079
Of revenue motor car	24,940	17,997	6,943	
Of non-revenue trains	39,125	38,279	846	
Total	1,110,932	1,046,640	74,190	9,898
Net Increase	....	....	64,292	
Car Mileage and Statistics				
Mileage of loaded freight cars	21,870,369	20,042,143	1,828,226	
Mileage of empty freight cars	14,395,070	13,538,335	856,735	
Mileage of caboose cars	726,675	659,213	67,462	
Total mileage of freight train cars	36,992,114	34,239,691	2,752,423	
Mileage of passenger cars	718,821	744,187	....	25,366
Mileage of sleeping, parlor and observation cars	....	1,331	....	1,331
Mileage of other passenger train cars	414,100	449,670	....	35,570
Mileage of motor cars	24,940	17,997	6,943	
Total mileage of passenger train cars	1,157,861	1,213,185	6,943	62,267
Net Decrease	....	....	....	55,324
Mileage of non-revenue cars	142,166	217,640	....	75,474
Average number of loaded cars in each freight train	30.25	30.54	....	.29
Average number of empty cars in each freight train, excluding caboose	19.93	20.64	....	.71
Average number of cars in each freight train, excluding caboose	50.18	51.18	....	1.00
Percentage of loaded cars in each freight train	60.28	59.67	.61	
Average number of passenger train cars in each passenger train	3.38	3.66	....	.28

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

Income accounts of controlled companies having income for year ended December 31, 1922, are as follows:

HOLSTON CORPORATION:		
Expenses:		
Interest on 5 Per Cent. Realty and Collateral Trust Convertible Notes	$75,000.00	
General expenses	10,511.25	
Interest and discount	29,793.73	
Taxes	9,942.92	
Property repairs and expenses	544.20	
Insurance	2,168.16	
		$127,960.26
Income:		
Rents	$10,862.43	
Profit on real estate sold	26,741.88	
Profit from operation of St. Paul Quarry	5,723.11	
Miscellaneous earnings	3,500.95	
		46,828.37
Net loss for year ended December 31, 1922		$81,131.89
SPARTANBURG LAND COMPANY:		
Income:		
Rents		$2,530.25
Expenses:		
Taxes	$3,027.40	
Repairs	171.95	
Insurance	211.59	
General expenses	74.00	
		3,484.94
Net loss for year ended December 31, 1922		$954.69

CAROLINA, CLINCHFIELD

ASSETS AND LIABILITIES OF CONTROLLED

ASSETS

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF KENTUCKY:		
Franchise	....	$5,000 00
CLINCHFIELD NORTHERN RAILWAY:		
Franchise	....	5,000 00
CLINCHFIELD NORTHERN RAILWAY OF KENTUCKY:		
Railroad	....	512,745 89
ELKHORN SOUTHERN RAILWAY:		
Franchise	....	5,000 00
HOLSTON CORPORATION:		
Investment in real estate	$315,556 92	
Real estate improvements	222,484 88	
Investment in stocks and bonds	1,152,459 82	
Construction of Charleston Terminal	363,613 26	
Other investments	184,491 99	
Current assets—cash on hand	17,517 97	
Available assets	103,144 90	
Profit and loss	693,624 36	
		3,052,894 10
LICK CREEK AND LAKE ERIE RAILROAD COMPANY:		
Franchise	....	100,000 00
SOUTH AND WESTERN RAILROAD COMPANY (OF NORTH CAROLINA):		
Franchise	....	600,000 00
SOUTH AND WESTERN RAILROAD (OF TENNESSEE):		
Franchise	....	2,270,000 00
SOUTH AND WESTERN RAILWAY COMPANY, CONSOLIDATED:		
Franchise	....	100,000 00
SOUTH AND WESTERN RAILWAY COMPANY (OF NORTH CAROLINA):		
Franchise	....	100,000 00
SOUTHPORT HARBOR COMPANY:		
Real estate	$1,999,000 00	
Profit and loss	13,755 66	
		2,012,755 66
SPARTANBURG LAND COMPANY:		
Real estate	$747,602 00	
Accounts receivable, Carolina, Clinchfield and Ohio Railway	7,203 03	
		754,805 03

AND OHIO RAILWAY

Companies as of December 31, 1922, are as follows:

LIABILITIES		
Carolina, Clinchfield and Ohio Railway of Kentucky:		
Capital stock	....	$5,000 00
Clinchfield Northern Railway:		
Capital stock	....	5,000 00
Clinchfield Northern Railway of Kentucky:		
Capital stock	$5,000 00	
First Mortgage Bonds	500,000 00*	
Non-negotiable debt to affiliated companies	5,596 70	
Additions to Property through Income and Surplus	2,149 19	
		512,745 89
Elkhorn Southern Railway:		
Capital stock	....	5,000 00
Holston Corporation:		
Capital stock	$750,000 00	
Five Per Cent. Realty and Collateral Trust Convertible Notes	1,500,000 00	
Current liabilities	700,904 36	
Deferred credit items	101,989 74	
		3,052,894 10
Lick Creek and Lake Erie Railroad Company:		
Capital stock	....	100,000 00
South and Western Railroad Company (of North Carolina):		
Capital stock	....	600,000 00
South and Western Railroad (of Tennessee):		
Capital stock	....	2,270,000 00
South and Western Railway Company, Consolidated:		
Capital stock	....	100,000 00
South and Western Railway Company (of North Carolina):		
Capital stock	....	100,000 00
Southport Harbor Company:		
Capital stock	$2,000,000 00	
Accounts payable, Carolina, Clinchfield and Ohio Railway	12,755 66	
		2,012,755 66
Spartanburg Land Company:		
Capital stock	$750,000 00	
Profit and loss	4,805 03	
		754,805 03

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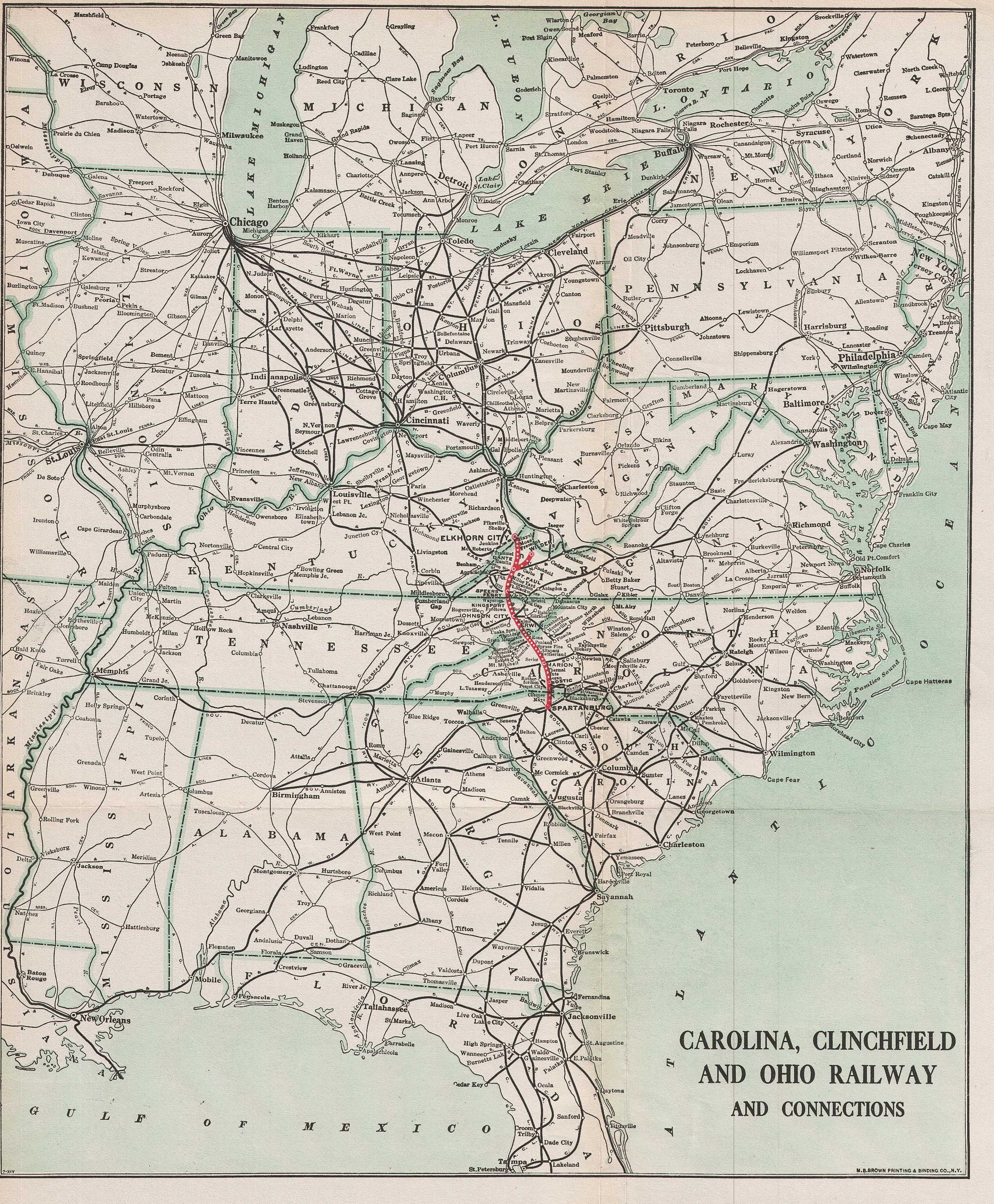
*Owned by Carolina, Clinchfield and Ohio Railway.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LAKE MICHIGAN
L. HURON
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ONTARIO
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PENNSYLVANIA
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ILLINOIS
IOWA
MISSOURI
KENTUCKY
WEST VIRGINIA
VIRGINIA
MARYLAND
DELAWARE
NEW JERSEY
TENNESSEE
NORTH CAROLINA
SOUTH CAROLINA
GEORGIA
ALABAMA
MISSISSIPPI
ARKANSAS
LOUISIANA
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CAROLINA, CLINCHFIELD AND OHIO RAILWAY
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